

Federal Court Trial

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Banker Says U.S. Knew Of B26 Deal in May '65

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The government knew as early as May, 1965, that a group of businessmen was setting up an agreement under which 20 twin-engined attack bombers were to be sent to a European company, a Tucson, Ariz., banker testified Tuesday in Federal Court.

The banker, Dallas M. Coors of the ~~Southern~~ Arizona Bank and Trust Co., was called by the government in the trial of three men on charges of conspiring to smuggle World War II type B26 bombers to Portugal. The trial is now in its second week before Judge John O. Henderson and a jury of 10 men and two women.

Under cross-examination by Edwin Marger of Miami Beach, Fla., a defense lawyer, Coors said Gordon B. Hamilton of Tucson, whose firm took the airplanes out of mothballs and prepared them for flight, advised U.S. Customs of the bomber deal shortly after its inception. Hamilton is not a defendant in the case.

Charged Act Violation

The government charges the three defendants violated the Munitions Control Act by exporting seven bombers without special State Department permission. At least two of the bombers are alleged to have crossed the Canadian border in this area.

On trial are Count Henri M. F. deMarin deMontmarin, 58, a Paris businessman accused of ordering the bombers for Luber S. A., a Swiss firm; John R. Hawke, 28, a former RAF pilot now living in Ft. Lauderdale, Fla., who is accused of ferrying the bombers over the ocean, and Woodrow W. Roderick, 47, a Winnipeg man now living in the U.S., who is accused of executing the contract.

Indicted with the others was Gregory R. Board, 45, of Tucson who allegedly made the deal with Luber through his firm, Aero Associates Inc. Board left the country before he could be arrested.

Marger, who represents

Hawke, maintains the Central Intelligence Agency knew about the bomber plan and secretly approved it despite a U.S. Government pledge not to help Portugal in the struggle with rebels in the Portuguese African colonies.

After a brief hearing without the jury Tuesday, Judge Henderson reserved decision on a motion by Marger that would have the government pay the costs of bringing defense witnesses, including top CIA officials, to Buffalo. Marger maintains that Hawke is indigent.

Coors, who spent the entire day on the stand, also testified that he held a series of meetings with Board, and in some cases deMontmarin, which led to the setting up of a \$695,000 letter of credit to cover the airplane purchases.

Says Total Was \$296,000

The letter of credit, he said, allowed Aero Associates to draw Luber money whenever Aero shipped airplanes.

Eventually, said Coors, drafts totaling \$296,000 covering seven airplanes were made.

Coors said the meetings began in February, 1965, and ended in mid-June when Board disappeared from Tucson. The arrests were made in September.